

Congress of the United States
House of Representatives
Washington, DC 20515-0520

February 7, 2020

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Rettig:

Following statements by you and Internal Revenue Service (IRS) spokespeople regarding Free File options for military servicemembers, I am becoming increasingly concerned that the IRS is misleading members of our armed forces by neglecting to inform them of free, government-sponsored filing services provided by the Department of Defense (DOD).

On January 7, 2020, the Washington Post quoted an IRS spokesperson touting the Free File program's benefits for servicemembers, who said, "We're especially proud that any active-duty member of the military with an income of \$69,000 or less can now choose to use any one of the Free File products."¹

Then, on January 13, 2020, the IRS published a press release entitled, "IRS Free File offers free tax prep options for military personnel," similarly highlighting that, "Individuals and their families who meet the income limitation may choose from any of nine companies without regard to additional eligibility requirements."²

While both statements are accurate regarding IRS-administered options, they do not cover the full suite of free federal tax preparation and filing products available to military servicemembers. A full accounting would include DOD's MilTax program and other free tax services provided by DOD. Additionally, the IRS website only includes one mention of MilTax, under a veterans service page, and makes no mention of its availability to active-duty servicemembers.³

The IRS is a trusted authority on tax preparation and filing, and when servicemembers hear its commissioner promoting Free File, with no mention of MilTax or other DOD-provided services, they may not look for other options. This is especially true for servicemembers who have earned more than \$69,000, and could reasonably, but incorrectly, believe that there are no free federal services available to them.

¹ Singletary, Michelle. "Tax season starts soon. The IRS just made it easier to file for free." The Washington Post, 7 January 2020, https://www.washingtonpost.com/business/personal-finance/tax-season-starts-soon-the-irs-just-made-it-easier-to-file-for-free/2020/01/07/f348a3ee-3164-11ea-91fd-82d4e04a3fac_story.html.

² "IRS Free File offers free tax prep options for military personnel." Internal Revenue Service, 13 January 2020, <https://www.irs.gov/newsroom/irs-free-file-offers-free-tax-prep-options-for-military-personnel>.

³ "Information for Veterans." Internal Revenue Service, 5 February 2020, <https://www.irs.gov/individuals/information-for-veterans>.

In July of 2019, I wrote to you asking the IRS to examine the challenges servicemembers face in accessing the Free File program, and how the IRS is promoting the MilTax program. Your response highlighted the IRS's contributions to the Military Volunteer Income Tax Assistance (VITA) program, and further provided a MITRE Corporation report on Free File challenges broadly. These efforts certainly help servicemembers, but regarding my inquiry about MilTax, you referred me to DOD.

I understand that MilTax is a DOD program and is not administered by the IRS, but it is unclear why the IRS is unable or unwilling to provide servicemembers with information regarding all federal tax preparation and filing options available to them.

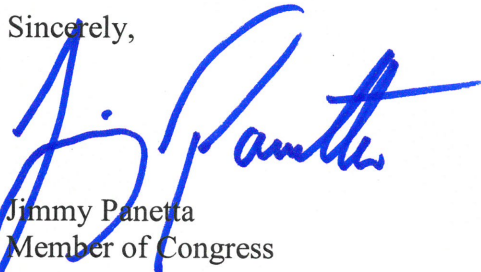
Given the strong likelihood that servicemembers are not getting full information regarding these services, I ask:

1. Why has the IRS not advertised or mentioned the MilTax program when educating the public about free federal tax preparation and filing options available to servicemembers?
2. Has the IRS consulted with DOD on ways to promote MilTax or other military services?
3. What is preventing the IRS from partnering with DOD to jointly promote MilTax and other servicemember tax services?

I am appreciative of the steps you have taken to improve the Free File program and applaud the proactive outreach the IRS is conducting to inform taxpayers of the program, in addition to your work with the Military VITA program. However, if incomplete information provided by the IRS is pushing servicemembers and their families towards more expensive and less specialized tax software, then we are failing to serve our men and women in uniform.

As I have noted in previous correspondence, the members of our armed forces face special tax preparation challenges due to their service to our country and are deserving of programs like MilTax. We must ensure that those who contribute so much to this country do not face additional burdens when contributing their share of taxes, too.

Sincerely,



Jimmy Panetta
Member of Congress

cc: The Honorable Matthew P. Donovan
Performing the Duties of the Under Secretary of Defense
Personnel and Readiness
4000 Defense Pentagon
Washington, DC 20301-4000